

CLIENT CONNECTION

Accounts Receivable Management Solutions for Law Firms

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What's That Elephant in the Room?? It's Your Firm's Ageing A/R, Sitting There Doing Nothing



The elephant typically starts to be more noticeable at the end of the second quarter of the year when ageing receivables remain uncollected – and the firm starts to closely monitor where it is in revenue as compared to where it wants to be by the end of the year. Time starts to creep up on every firm, but the fact remains: that elephant needs to be turned into cash. And there is no better time than halfway through the year to start. Yes – everyone is busy, but so are your clients, who are not making it a priority to get your bills paid.

Take a step back and determine what changes need to be made considering your firm's size, culture, practice areas and management objectives. It's June. Here are three areas to work on to light a fire under your firm to improve collection efforts and A/R management:

- Analyze what is going on in your firm. Have we relied too much on clients paying at their own discretion? Does the make-up and culture of our firm permit attorneys to go it alone in how they manage their receivables? Have we built an administrative A/R management infrastructure without measuring how well it is accomplishing payments?
- Have an honest conversation with the leadership of the firm, explaining why the firm needs to do a better job managing its A/R. Recognize that you cannot entirely revamp your collection practices overnight – but you can start making the changes that are needed now and over the next six months.
- Start having meaningful conversations about what needs to be done. Let your attorneys know what the firm is trying to accomplish and show them best practices and strategies that will help to move collections forward. Tell them the firm wants to take decisive action early in the ageing process to help combat the ageing A/R that does not get paid. Help them understand that they need to collect the A/R themselves, but also to ask for assistance sooner rather than later from the firm's A/R management team.

It is not too late to kick the elephant out of the room – but it is waiting on you to make the first move. Want to learn more? Visit our website at www.clientci.com.